



Regent Risk Management and UNI's Gilchrist Hall Fire Update

Regent Catastrophic Property Insurance

- The State of Iowa is self-insured for damage on state facilities.
 - Iowa Code §29C.20, Contingent Fund–Disaster Aid, provides for a contingent fund for the purpose of paying for repair, rebuilding, or restoring of state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause.
 - The State of Iowa carries no commercial insurance for the loss of state facilities.
 - The Regent universities and special schools are not required to carry commercial insurance on state funded (academic/general fund) facilities.
- After the floods of 1993, the Board of Regents implemented risk management policies that required commercial catastrophic property insurance for academic/general fund facilities.
 - The Board Office and Regent institutional personnel worked with state officials, the Executive Council, and the State Auditor's Office regarding this catastrophic insurance and the appropriate deductible.
 - The deductible for property insurance for academic/ general funded buildings is \$2 million for the universities and \$1 million for the special schools.
 - The Regent institutions pay the insurance premiums from general operating funds.
- State Executive Council guidelines specify that all permanent repairs estimated to cost in excess of \$500,000 per loss are referred to the Iowa General Assembly for an appropriation.
- Regent Risk Management Policy for Property and Liability Loss
 - Protect the Regent budgets and assets against large losses.
 - Minimize and stabilize total risk management costs.
 - Protect Regent employees against losses.
- The Board does not insure risks that do not present a significant loss potential unless the purchase is indicated by other factors, such as a need required by contract, bond or statute.
 - Insurance deductibles vary for self-supporting, auxiliary operations and facilities based on the relative size of the enterprise.

Regent FY 2006 Supplemental Appropriation Request

The Regent \$2 million appropriation request will be used as part of the total fire restoration project for UNI's Gilchrist Hall, which is estimated to far exceed the deductible.

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UNI's Gilchrist Hall Fire Update

Gilchrist Hall on the University of Northern Iowa's campus housed the Integrated Student Services Center (consolidated various academic, administrative, and financial services for students) including academic advising, registration, financial aid, career services, and business functions. It also housed the Department of Public Safety.

On Sunday, October 16, 2005, three fires broke out in University of Northern Iowa buildings. The most extensive fire damage occurred in Gilchrist Hall, which has been closed since the fire. Occupants have been temporarily relocated to other campus facilities.

- The University of Northern Iowa is currently working with insurance adjusters and consultants to determine the total damage estimates resulting from the fire at Gilchrist Hall.
- While the estimates have not been finalized at this time, the current estimates far exceed the \$2 million deductible of UNI's commercial insurance coverage.
 - The value of affected equipment, including the public safety dispatch system, the main hub for the campus phone system, and hundreds of personal computers, servers, microfiche readers, scanners, fax machines, shredders and other electronic items is over \$1.5 million.
 - The University and the insurance company are currently evaluating each piece of equipment and determining which items will need to be replaced and which items can be cleaned for reuse if any.
 - Electronic equipment and furniture throughout the building received heavy smoke and soot damage.
 - All furniture, files and modular office partitions in the building will require cleaning and ozone treatments to remove the soot and smoke smell.
 - Furniture in the immediate area of the fire that was destroyed will require replacement at a cost of over \$200,000.
 - All wall and floor surfaces throughout the entire building require cleaning and/or replacement.
 - Walls in the immediate area of the fire will have to be rebuilt and walls surfaces and carpet which cannot be cleaned will be replaced.
 - All ceiling tile in the building was heavily damaged by smoke and soot and requires removal and replacement.
 - The encapsulated fireproofing was damaged with smoke and soot. The consultants for the insurance adjuster have indicated that all fireproofing will need to be removed, as the smoke and soot damage cannot be mitigated without dislodging asbestos fibers into the building. The estimate for removal of the asbestos containing fireproofing is \$1.3 million.
 - The process will require removal and replacement of the ceiling grid, ceiling tile and much of the mechanical, electrical and voice data systems above the ceiling.
 - Following the removal of the old fireproofing, new fireproofing will have to be provided for the structure and deck.
 - While temporary housing was provided to employees displaced by the fire, the University of Northern Iowa is trying to find better suited locations to accommodate the campus community and visitors.